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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

◆ **Corn.** U.S. growers intend to plant 80.8 million acres of corn for all purposes in 1998, up 1% from last year. This would be the largest acreage since 1985. Corn stocks in all positions on March 1, totaled 4.94 billion bushels, 10% above a year earlier. Ending stocks on September 1, 1998 are expected to total 1.2 billion bushels up 37% from last year. The projected market year price range for the 1997 corn crop is \$2.45 to \$2.55 per bushel. Five percent of the intended corn crop had been planted by April 19, 1 point behind the 5-year average.

◆ **Soybeans.** U.S. soybean producers intend to plant 72.0 million acres in 1998, 2% above last year. If realized this would be the largest planted area for soybeans on record. Soybeans stored in all positions on March 1, totaled 1.2 billion bushels, up 14% from the previous year. The market year average price for the 1997 crop is projected between \$6.35 and \$6.65 per bushel compared with \$7.35 for the 1996 crop. U.S. soybean oil exports are projected at a record 2.9 billion pounds.

◆ **Cotton.** U.S. all cotton plantings for 1998 are expected to total 13.2 million acres, 4% below 1997 and 10% less than the 1996 acreage. Ten percent of the Nation's cotton crop had been planted by April 19, 4 points behind the 5-year average.

◆ **Wheat.** The 1998 all wheat planted area is expected to total 67.0 million acres, down 6% from last year. This would be the lowest planted area in 10 years. Durum wheat acres are expected to increase 25% from last year and reach the highest level since 1982. Other Spring Wheat acreage for 1998 is forecast at 16.3 million acres, down 16% from last year. All wheat stocks on March 1 are estimated at 1.17 billion bushels, up 42% from last year. Market year prices for the 1997 crop are expected to average \$3.40 compared with \$4.30 for the 1996 crop. Over 75% of the winter wheat crop was rated in good to excellent condition.

◆ **Rice:** Growers intend to plant 3.09 million acres, 1% above 1997. The 1997/98 market year average price is expected to average between \$9.60 and \$9.80 per cwt compared to \$9.96 per cwt for the 1996/97 crop. Farmers had planted 41% of their intended acreage by April 19, 14 points ahead of the 5-year average.

◆ **Other Crops:** Acreage to be planted to **Grain Sorghum** at 9.02 million acres, is down 11% from 1997. **Barley** acreage at 6.78 million acres is expected to be down 2% from 1997.

◆ **Cattle.** April 1 **cattle on feed** in U.S. feedlots with capacity of 1,000 or more head totaled 10.11 million head, **down 3%** from a year earlier. Placements were down 13% from the previous year. Marketings of fed cattle were 6% above 1997. At mid-April, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$66 per cwt, up \$4.00 from mid-March. Fed cattle prices should improve to the low \$70's per cwt toward the end of 1998. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$76 per cwt at mid-April, up \$2.00 from mid-March.

◆ **Hogs.** March 1 **hog inventory**, at 60.1 million head, was **8% above last year**. **Prices** at mid-April (Iowa-Southern Minnesota direct, 230-250 pounds) were \$34-35 per cwt, unchanged from mid-March. The December-February 1998 pig crop was up 8% above last year with the March-May farrowing intentions showing a 3% increase while the June-August farrowing intentions only showed a 1% increase. These projections point to a continued increase in pork supplies during 1998.

◆ **Other Livestock.** March **milk production** was up 1.4% from the previous year. Production per cow rose 1.9% which more than offset the 0.5% decrease in cow numbers. The March **Basic Formula Price (BFP)** was \$12.81 per cwt, down 51 cents from February. **Cheddar cheese prices** (U.S. 40-pound blocks, wholesale) decreased 1.5 cents the first week of April and decreased 1.3 cents the second week. This suggests that the April BFP will likely decrease. During February, total **cheese** production was down 0.2% from the previous year, **butter** production was down 5.1%, but **nonfat dry milk** production was up 4.8%.

egg layers up 2%, broiler-type hatching up 6%, and egg-type hatching unchanged. U.S. **egg production** for the 2nd quarter of 1998 is expected to be up about 3% from a year ago. During February, 1998, **egg production** was up 3% from the previous year. **Market egg production** was up 2 % while **hatching egg production** was up 5 %. **Market egg prices** for the 2nd quarter of 1998 are expected to average about 2 cents per dozen below a year ago. For the week ending April 11, cumulative **broiler placements** for 1998 in the 15 selected states were down slightly from the same period a year earlier. **Broiler price** for the 2nd quarter is expected to be 57-59 cents. Broilers averaged 59.1 cents (12-city) for the same period last year. **Turkey production** during the 2nd quarter of 1998 is expected to be about the same as last year. **Turkey prices** (8-16 lb hens, Eastern Region) for the 2nd quarter of 1998 continue to be pressured by the large supply of meat and are expected to average 58-60 cents per pound compared with 66.1 cents a year earlier. **Supplies in refrigerated warehouses** the end of March compared with a year earlier were: chicken down 8%, turkeys up 5%, pork up 14%, beef up 10%, cheese up 1%, and frozen orange juice up 16%.

◆**Trade.** April U.S. **trade projections** for pork, poultry, and rice improved while 1997/98 export prospects for corn, wheat, and soybeans declined, compared with last month. U.S. soybean oil export projections were raised 12% from last month to a record level. March projections for the volumes of **exports** for the 1997/98 marketing years compared to 1996/97 are: **wheat** up 5%, **corn** down 15%, **rice** up 6%, **cotton** up 9%, **soybeans** up 7%, **soybean oil** up 42%, and **soybean meal** up 13%. March projections for the volumes of meat exports in calendar 1998 compared to 1997 are: **beef** down 2%, **pork** down 2%, **broilers** up 5%, and **turkeys** up 2%. The U.S. **trade deficit** for goods and services increased to a **record level** of \$12.1 billion, up from \$11.6 billion in February. The U.S. **agricultural trade** surplus was \$1.62 billion in February, almost the same as in January.

◆**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, showed no change in overall prices in March and rose 1.4% over the last 12 months. The **PPI** fell 0.3% in March; this followed a decrease of 0.1% in February. For the 12- month period ending in March, the PPI decreased 1.8%. The March **prime rate**, at 8.5%, has been unchanged since April 1997 and compares with 8.3% a year earlier. Compared to a year earlier, **feed prices** in March were down 16%, **feeder livestock and poultry prices** up 2%, **fertilizer** down 9%, **ag chemicals** up 3%, **farm machinery** up 2%, **seeds** up 3%, and **fuels** down 26%.

◆**World Weather and Crop Developments** (April 12-18). Scattered showers fell in most of **Ukraine and southern Russia** during the week, causing only brief delays in spring grain planting. Unseasonably warm weather favored winter grain development and crop emergence in these areas. Unseasonably cold, rainy weather prevailed in **England, France, western Spain, northern Italy, and Germany**, slowing crop development and disrupting fieldwork. This week's rainfall in Western Australia and Victoria, in conjunction with last week's heavy rain in **South Australia**, has resulted in highly favorable moisture for the upcoming winter grain crop. Planting should begin soon in northern crop areas of Australia while planting in the southern crop areas typically begins in June. In **South Africa**, dry, warm weather aided summer crop maturation across the corn belt while fostering favorable conditions for wheat planting. During March, in South Africa rainfall was near to above normal in central and western sections of the corn belt, favoring late planted corn and sunflowers. In northern **Argentina** and southern **Paraguay**, excessive showers caused flooding and some damage to mature cotton. In the U.S. rain continued to delay spring field preparations, and muddy fields delayed the traditional beginning of the corn-planting season across most of the Corn Belt. Strong thunderstorms caused localized flooding and delayed fieldwork in parts of the Southeast. In the central and northern Plains, rainfall was considerably lighter, allowing farmers to make substantial progress in their fields while also benefiting the winter wheat crop and helping earlier planted crops to emerge. Planting and fieldwork also advanced in the Delta States. The southern Plains remained dry and rain was needed to help germinate recently planted crops. Weather conditions in California and the Southwest improved slightly, but continued wet soils and unseasonably low temperatures, especially at night, continued to cause delays in planting the cotton crop. Crop emergence and growth were slowed by cool weather and snow in the Rocky Mountain and Intermountain Plateau regions.

◆**Other News.** **Record red meat and poultry production** along with clouded export prospects due to economic problems in Asia, have pressured livestock prices downward in 1998. Although meat supplies were abundant and farm prices down considerably, **retail meat prices declined only about 2 percent** in the first quarter from a year earlier. **Brazil's soybean sector** is expected to be the greatest beneficiary of the country's ambitious reforms of the past few years; USDA's 1998 baseline projects robust growth in Brazil's soybean output and in its exports of soybeans and products through 2007/08. **Aquaculture** is gaining recognition as a segment of the livestock complex by contributing more to per capita consumption than veal, mutton, and lamb combined. **Rural and farm borrowers** will benefit from increased credit availability and continued relative interest rate stability in 1998 and 1999. Some mild upward pressure on long-term rates is expected in the second half of 1998 and in 1999. **U.S. agriculture has one of the highest ratios of productivity growth** among U.S. industries with an annual rate of 1.87% from 1948 to 1996.
